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Health for All Renewal

Building Sustainable Health Systems: from policy to action

Meeting Report

17-19 November 1997
Helsinki, Finland

World Health Organization

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Preface

Health is an integral part of development. Health status and trends in health are most strongly influenced by the levels of equitable distribution of wealth, education, status of women, labour standards, housing and other living conditions. But health is also a lever, a catalyst and major contributor to other aspects of socioeconomic development, when appropriately integrated with other public policies.

This is why in Finnish development cooperation, health and social sectors play such a central role, and why reduction of poverty, combatting environmental threats, and promotion of equity and human rights are the backbone of the government's policy of development cooperation. The government emphasizes primary education and health care, both of which are crucial in enabling poor people to participate fully in society.

In this context I attach great importance to the new global policy of Health For All in the 21st Century, and welcome the reaffirmation of commitment to the core values of equity and solidarity, and the new approaches to facing the daunting challenges ahead of us.

The World Health Organization is in a unique position among the many international organizations in the health field, since it is the only intergovernmental organization specifically dedicated to the cause of health. It has the capacity to draw upon the collective wisdom of policy-makers and technical experts from all relevant fields to promote public health globally, regionally and nationally. WHO has to ensure its leading role in the future, to be carried out in concert with its Member States, and with other intergovernmental and nongovernmental organizations.

We have recently become aware of global trends of weakening, crumbling, disintegration and, in some cases, even collapse of public health infrastructures and basic personal health services. It is crucial that WHO speaks out loudly and clearly about the causes and consequences of these trends and unite all the forces needed to counteract them.

Many countries have embarked upon health reforms to counteract some of the pressure on health systems. It must be clear that reforms have to be designed for health gain. This means improvement in the state of a nation's health through access to health care for all people, and sustainable financing and improvements of health-care delivery, particularly for those in greatest need. WHO has an important role in analysing and synthesizing experiences world- wide and fostering exchange of information in this field.

It is important that individuals play a much more active part in health systems and that citizens are empowered to do so. However, this would call for an even stronger role for the state in strengthening the legal and financial framework of the health sector, and improving the training and working conditions of personnel, in order to build sustainable and equitable health systems. Nowhere is there any evidence that market-driven health care can be provided equitably and at a reasonable cost.

There is a greater need now, more than ever before, to base our future policies on explicit values and verified evidence about what works and what does not under different circumstances. It is crucial to bridge the gap between rhetoric and reality, and to put our principles and vision into action. This will require a firm understanding of what we mean by sustainability of health systems in the context of the changing global and national environments.

Dr S. Mönkare, Minister of Social Affairs and Health, Finland

Introduction

The World Health Organization is adopting a new policy, *Health for All in the 21st Century*, designed to realize the vision of Health for All. In its preparation the successes so far achieved and the challenges that lie ahead were extensively analysed. It became clear that over the past few decades, while human health was making unprecedented gains, enormous threats to health had arisen also.

Poverty, absolute and relative, has increased. Technological, epidemiological, demographic and socioeconomic change are profoundly affecting health and health systems, in different ways in different countries. In much of the developing world the outlook is far from bright. Diseases thought to be controlled are reappearing, new diseases are emerging, and war and civil conflict are producing new hardships, straining health systems already overwhelmed by the demands of everyday health needs.

The hope for a new world order, raised at Alma Ata, has not materialized. Governments were seen to have a crucial role in solving the problems of health development. Now, globalization and the liberalization of markets are forcing governments to face up to the threats, and exploit the opportunities, that they raise. At Alma Ata it was hoped that the call for Health for All, in essence a call for social justice, would so appeal to governments and international organizations that they would mobilize the necessary finances for primary health care to attain this goal. They have not succeeded in doing so. The need now is to adapt the economics and financing of health systems so as to safeguard the underlying values of the new policy and attain its goals.

Values alone will not bring about Health for All. Rather, specific actions must flow from policy directions. In making health central to human development, decisive action is needed on the major determinants of health to reap the benefits of better health and substantial reductions in inequities in health status. This will require stronger commitment to intersectoral action.

Many health systems have been seriously eroded. The signs are widespread and familiar: the health workforce is depleted and demoralized, cadres such as community health workers have disappeared, buildings and equipment are run-down, peripheral services are unused, hospitals are overcrowded, and there are almost no public-sector operating budgets for pharmaceuticals or other vital inputs.

In this disarray, however, lie the seeds of opportunity. Governments increasingly recognize that the design and monitoring of health policy have to remain a public responsibility. Health systems are at a crossroads. Decisions made today will have far-reaching consequences for future health systems. The enormous challenges in health-system development afford exciting opportunities for achieving a great deal in a cooperative and sustainable manner.

It is gratifying that the Helsinki meeting achieved consensus on moving forward together to help countries build better health systems, designed to make our changing world a healthier place for all - where the search for human development can be pursued with creativity and with good physical and mental health, in an economic milieu conducive to minimum stress in the daily struggle for survival.

F.S. Antezana, Deputy Director-General a.i.,
A. Kone-Diabi, Assistant Director-General,
World Health Organization.

Executive Summary

All countries need sustainable health systems in order to pursue effectively the goal of Health For All. Yet, in many countries public health systems and services are underfunded and poorly maintained. Many governments have failed to finance the measures needed to promote and protect health and are often preoccupied with containing and even reducing health-sector budgets. This preoccupation has given rise to minimalist concepts such as essential packages of services, which in themselves offer only a limited contribution to reducing inequities in health.

Against this background, an international group of eminent health-policy and decision makers met in Helsinki, Finland, on 17-19 November 1997, to take stock of the challenges that confront the development of future sustainable health systems and to consider their implications.

There is increasing evidence that future health systems must withstand powerful external pressures, which, though unrelated directly to health, have considerable impact on health and on the performance of health systems. Globalization, privatization, and diminishing solidarity and public support for collective action are major external influences already at work.

Though globalization opens up opportunities for better health and better health systems, it also constitutes a serious threat to them. Its effects require further study. It threatens in particular the already fragile systems of the most needy countries. The challenge to those concerned with health is to make globalization socially responsible. What is needed to address its harmful consequences is to build social networks and promote political stability by placing the attainment of equity and human rights at the centre of public policies.

Action confined to countries will not be enough: the international level must also be engaged. The prevention and control of major diseases, including those associated with international trade, such as the tobacco trade, call for new mechanisms of cooperation.

Globalization is accompanied by increasing privatization and commercialization of health care. Privatization ought to be a means of achieving specific health-policy objectives. Instead, in many countries, it has become a priority policy objective, an end in itself. Increasing cost-sharing, private insurance and informal "grey market" payments for services are common examples of the off-loading of health-sector payments to households. They undermine equity.

Belated recognition of the importance of the role of the state offers the opportunity to redress the effects of the deregulation and downsizing that have occurred in public-sector capacity during the past decade. It is not for national health authorities to seek to undertake responsibility again for the day-to-day delivery of health services. Rather, they should develop renewed capacities to set clear national policies for health as well as to establish the legal and normative framework and the accountability mechanisms necessary to ensure and monitor their implementation. Future health systems will have to find ways of involving the general public in the policy process. In the past, health professionals have heavily influenced resource allocation decisions. In the future, such choices must be based on informed public debate.

Rapid globalization, the power of the market, the call for leaner government, and shrinking public funding for health are putting health systems under strong pressure to contract, to limit their attention to personal services to meet personal demand, especially from those who can pay. It is time to look afresh at the content of health systems which aim to reduce health inequities and

sustain the health status of populations, and then to advocate for the levels of resources needed to achieve this objective.

Innovative thinking is needed to explore how future health systems can be funded, and to challenge the low levels of public expenditure on health in some countries. A major concern will be to raise revenues for health from international sources to compensate countries for reductions in public revenues due to globalization.

Health systems research is urgently needed to test the effectiveness and efficiency of resource-rationing mechanisms, such as essential packages of services, in improving the health status of poor and vulnerable groups. The performance of the private health-care sector also warrants serious attention in this regard. Health is not a conventional commodity and market mechanisms cannot replace the central role of the state in protecting and promoting the health of populations through policy development, planning, monitoring and regulation of health systems. The weakness of health ministries relative to other sectoral ministries is a serious constraint both to implementing change in the health system itself and to influencing broader public policy.

Ministries of health clearly need a wider perspective and scope of action. In future, their capacity to analyse, predict and advocate will need to be greatly enhanced, as will their ability to design legislation and effectively regulate both the public and the private providers of care. The multidimensional nature of the determinants of health requires future national health authorities to be much more proactive at all levels in working with other sectors, taking on a strong advisory role, and developing analytical capacity, especially in economics. In short, future ministries of health must be leaders for health.

1. Background

Health systems in many countries are now in considerable disarray trying to cope with increasing demands in an environment of poverty, growing inequity and budgetary constraints, along with the consequences of a market economy and globalization. The current preoccupation with containing and even reducing public expenditure in health systems and service budgets has given rise to such concepts as essential packages of services and managed care. In many countries, lack of investment in public health infrastructure to protect the quality of food, water and the ability to dispose waste is leading to additional health threats.

In this context, it is timely to assess the implications for future health systems of such forces as globalization, privatization and commercialization. It is necessary to focus again on the content and capacities of health systems needed to achieve Health for All, and to determine how national governments and international organizations can secure the necessary financing and its adequate allocation to implement policies based on Health for All. The critical functions and capacities of future health systems, including ministries of health, must be determined so as to strengthen their leadership role in the implementation of Health for All in a rapidly changing environment.

Against this background, an international group of eminent health policy-makers and decision-makers met in Helsinki, Finland, from 17 to 19 November, 1997, to consider the challenges that confront the development of sustainable health systems, to examine their implications for the attainment of HFA, and to explore new approaches to the advancement of health.

The meeting considered the following fundamental questions:

* How do the emerging pressures of globalization and liberalization of markets affect health systems?
* What is a sustainable health system; what should its content be and how can it be financed?
* How do we move to sustainable health systems and what are the specific capacities required to build sustainable health systems?

2. Emerging pressures on health systems: globalization and the liberalization of markets

Looking into the future requires an element of speculation based on experience and evidence. The evidence indicates that the external pressures will be as powerful as the internal in shaping the future for individual countries and health systems. Hence, those concerned with health need to develop a proactive approach to external forces not directly concerned with health.

Globalization is the most powerful external economic factor; it will remain at the core of the international economy and a permanent feature of the environment within which health systems must function. Globalization is defined as the process of increasing economic, political and social interdependence and global integration which takes place as capital, traded goods, persons, concepts, images, ideas and values diffuse across national boundaries[1]. These trends are not new, but the scope and patterns of globalization in the late 20th century are unprecedented in their

[1] *WHO. Think and act globally and intersectorally to protect national health.* 1997. WHO/PPE/PAC/97.2

magnitude and variety. The world will be characterized more than ever by increased competition for market share, liberalization of trade and finance, and global communications. Its impact on health and health systems, though not always immediately apparent, will be both broad and profound.

Though globalization has negative consequences for the health of populations, it also presents opportunities for its advancement. Among its more positive aspects are that it facilitates access to information and knowledge and their dissemination, and enhances the potential of education and technology. However, this potential is often not adequately realized, particularly in the case of the countries and population groups exposed to, and harmed by, its negative effects.

Health technologies and Health for All in the context of globalization

Three developments in health technology will have a strong impact on health systems in the coming years: the revolution in biotechnology, advances in clinical interventions, and information and communication technologies. Economic and sociopolitical aspects will influence the development and use of these technologies. The economic aspects include the international trade in goods and services, and in medical devices and drugs; and among the sociopolitical are decreased barriers to communication and cultural interaction and a more rapid diffusion and adoption of technologies.

Globalization will bring several new opportunities: increased availability of established technologies, and easier access to knowledge and technologies through telecommunications and informatics.

At the same time, however, several challenges are emerging:

* *the accelerated transfer of non-established and irrelevant technologies, in particular to developing countries*
* *trade imbalance in health-related areas and the drain of wealth to more affluent societies*
* *dominance of mainstream modern medicine and shrinkage of essential health-care technologies, and of alternative and indigenous forms of health-care*
* *the disintegration of self-dependent domestic infrastructures in health-related industries*
* *underdevelopment of essential health technologies and oversupply of "high-tech" equipment stimulated by economic incentives*
* *the potential of creating and increasing perceived needs in quality health services and sophisticated care, which are not socially affordable and increase the costs of health care.*

The important negative aspects of globalization include: pressures for economic restructuring to accommodate market forces, leading to reduced public spending and increasing disparities in health status, related to social decline; pressures for use of advanced health-care technology; focus

on short-term economic gain; and the undermining of traditional societal values, with long-term deleterious consequences for health.

Globalization can reveal tensions and conflicts of interest within society. Mechanisms are necessary to make these differences explicit and clear, and to identify areas of convergence on which to build policy frameworks for sustainable health systems. Such mechanisms must assure strong representation of the most vulnerable groups to ensure that their needs are respected and given due priority within the total needs of entire populations.

Though all are affected by globalization, its negative consequences will in the short and medium terms affect particularly the poorest and least healthy countries and population groups, thus increasing disparities between and within countries.

The Least Developed Countries Coping with Global Markets: Drugs in Mozambique

Globalization affects all countries. The least developed countries have to cope also with conditionalities regarding further liberalization of their economies as part of structural adjustment.

Mozambique, in the aftermath of war, is such a country. Its ministry of health has to face the new realities of the global market ,in relation to medicinal drugs, for example. It has to find the right balance between these new pressures and its commitment to equity and quality of health care.

Hence it has proposed a new bill for pharmaceuticals, based on the following principles:

* *mandatory use of generic names in prescribing drugs*
* *revision of lists of drugs, and medical supplies, selected to meet the therapeutical needs, based on technical and economical criteria*
* *the re-introduction of a register required for the production, import, distribution and prescription of any drug*
* *controlled liberalization of import of drugs, in compliance with the norms of registration*
* *"controlled allowance" of the production of pharmaceutical products, conditional upon the authorization of the ministry of health*
* *"controlled allowance" of private ownership of pharmacies, on condition that a pharmaceutical professional ensures technical direction*

Privatization, the process in which the ownership of capital is transferred from public to private institutions and persons, is a response to the globalization of market-driven forces. Generated in the broader economy, this pressure is frequently brought to bear on the health sector without an adequate understanding of how the health sector functions. Examples indicate that while privatization ought to be a means of, or an instrument for, achieving a specific set of policy objectives, it has in many circumstances become an objective, an end in itself. Growth in private health care has often been accompanied by the off-loading of costs to private household budgets:

increasing cost sharing, the rationing/priority-setting debate as to which services will be publicly funded; and the creation of competing private insurance schemes and the grey market (informal payment mechanisms). In these instances, health and health services are treated like other commodities and, because of differential ability to pay, this clearly undermines health policies that seek to promote equity.

Patient-based demand is not an adequate or legitimate basis for shaping the health sector; it reduces social policy in health to the aggregate of individual actions pursuing exclusively individual interests. In practice, aggregate, population-based need better expresses society's broader concerns and is a more appropriate basis for planning a health system. Besides, an exclusive focus on individual demand of those able to pay distorts health markets, as do such factors as provider-induced demand, which leads to substantial failures of provision of essential public-health functions.

Essential drugs and markets

In the pharmaceutical sector, the effects of globalization can be even more pronounced than in other areas of health systems, owing to the ways in which drugs are used, distributed and financed. Patents, trade liberalization, currency devaluation and depreciation, and stock- market expectations significantly influence this sector. Specific action to strengthen the concept of essential drugs is required in the areas of quality assurance, financial and physical access to medicines, and rational use of drugs.

Assuring the quality of drugs is a vital public responsibility that should increase in scope as many countries open their markets to more products and as companies seek to expand the export of pharmaceutical goods. A firm regulatory base is necessary, and approaches to harmonizing norms and standards, which, while respecting national health priorities, can increase the efficiency of regulatory agencies, industry and markets.

Drug supplies need to be guaranteed. With markets, the challenge is to find ways to balance the objectives of the private sector with the goal of making essential drugs available to all who need them. Possibilities would include incentives to the private sector to provide drugs to rural areas, or the promotion of supply-side mechanisms of cost control, such as grouping of purchasers or limited price control.

Rational use of drugs can be enhanced by provision of accurate, impartial information on how to select and use them, which include data on prices and cost-effectiveness. Ethical guidelines, and effective regulation of pharmaceutical marketing activities become even more important as markets take on more significant roles.

Pharmaceutical policy should not be left to markets to determine implicitly, as there are social objectives, such as equity, which fall outside the domain of markets. Instead, a comprehensive drug policy, formulated explicitly within a health-policy framework, is key to the effective use of market mechanisms to achieve the broader objectives of health systems. With globalization it is apparent that the role of the state in the pharmaceutical sector needs to be strengthened, even though the nature of the activities it undertakes may change.

The challenge to those concerned with health is to steer such processes as globalization and marketization towards outcomes that are more socially responsible. Until now, only countries that

can afford social protection interventions, largely in the labour market rather than the health sector, have been able to cushion themselves against the adverse economic effects of globalization. Internationally, there has been little action to support poorer countries.

3. Sustainable health systems: core features

Core capacities of sustainable health systems

A. *Making explicit the basic-value framework of the health system*

* To develop and implement a policy framework based on a common vision, a strong value system and strong moral leadership.
* To address the health of the total population by clarifying **dilemmas** and choices, rights and responsibilities.
* The need for an appropriate legislative basis for the policy framework.
* The need for monitoring quality and equity.

B. *Ensuring the organizational and resource capacity for sustaining the benefits*

* To adhere to principles of good governance.
* To achieve stability in, and manage, the public/private mix and build partnerships.
* To mobilize multiple resource inputs and translate scarce resources into health benefits.
* To develop, assess and utilize technologies that enhance the health of all.
* To make sustainable health-care financing a part of overall social and economic policy. Financing must be based on the principle of solidarity, while resources should be allocated on the basis of need.
* To develop and organize human resources according to the goals and values.
* To mobilize and sustain political will and to be bold and clear about issues of social justice and rights to equitable health benefits.

C. *Coping with external pressure*

* To **accurately** assess the positive and negative effects of external factors on the health system and health, especially the health of the most vulnerable.
* To be proactive, **and being prepared** to assess and adapt to new opportunities for achieving health objectives.

D. *Deciding what activities, services and benefits should be sustained over time*

* To develop a dynamic and responsive mechanism that indicates what should be sustained and for whom, consistent with the basic values pursued.
* To gather and disseminate adequate health, financial and management information to guide health systems decision-making.
* To document and analyse intended and unintended effects of policies being implemented, in order to build up the capacity for more evidence-based decisions and policy debates.

To assess how emerging pressures will influence sustainable health systems and to develop strategies for their content and funding, it is crucial to establish a common understanding of

sustainable health systems Many health systems are not sustainable and their performance is often inadequate. Hence, the challenges go far beyond "maintaining", and focus particularly on building and strengthening health systems that are sustainable.

Health systems conventionally consist of those governmental, nongovernmental and private sector organizations that finance or provide staff, products and programmes for personal clinical or population-oriented public-health services to individuals and communities. In future, health systems must be seen as more inclusive, encompassing the efforts of people themselves as well as activities of society as a whole in influencing the health status of total populations through reduction of inequities.

Sustainability refers to human and financial resources, institutional structures and political will. It depends on good governance, partnerships within society, moral leadership based on a clear vision, explicit values, and acknowledged determination to meet the needs of people. The meeting singled out several core characteristics critical to the sustainability of health systems .

4. Moving towards sustainable health systems

Contemporary reform experience indicates that there are no blueprints for equity, efficiency or sustainability. There is, however, a need to adapt to, and respect, the local context. Reform is unlikely to be successful without ownership, adaption and contextual "fit". Models cannot simply be transferred from one country to another, but countries and regions can avoid the repetition of mistakes by sharing what they learn from analysis of the effects of reform on health status and equity. Also, conceptual frameworks can be developed from comparative analysis to help countries analyse their own contexts and policy options.

Health care and equity: lessons from Finland

Health systems in Finland are decentralized, with far-reaching responsibilities for municipal authorities. Consequently, there is continuous tension in the provision of the health services between the ministry of health, striving for equitable and quality health systems, and the municipalities, which may be influenced by local pressures .

Through guidelines and resource-allocation strategies, a comprehensive primary health care network was created, which has resulted in good health outcomes. Recently, though, as a result of financial constraints and the economic depression of the early 1990s, allocation policies have targeted particularly the efficiency of the municipal activities. Equity depends strongly on municipal authorities and on health professionals at the local level. New, market-oriented competition has made continuous patient care more difficult and has tended to fragment health services. It has resulted also in an increasing share of household payments to health services.

It is critical to restore equity to the forefront of discussion, while also developing practical solutions: remodelling of local incentives that sometimes hamper the cooperation between different actors in health care; supporting mutual esteem and understanding of health workers at the different levels; and increasing the ability to react to the changes in the structure and needs of the population. This should create a health system available and acceptable to, and supported by, the whole population.

The lesson from the past in regard to renewing the commitment to Health for All is that political and professional "will" have not been strong enough to put health at the centre of human development, create a common platform of values, or counteract competing interests. To bridge the gap between policy intentions and implementation, new mechanisms are needed for policy dialogue and consultation, priority setting, and public accountability for resource allocation, as well as for monitoring the consequences of changes in health systems for the most vulnerable groups.

In the face of such pressures as globalization and privatization, equity needs to be even more strongly emphasized in order to eliminate the increasing disparities in health and the determinants of ill-health. The search for equity must consider actions beyond those of the conventional health sector, actions that affect health status, to attain the full expression of the underlying value system of Health for All, particularly in regard to ethics and human rights; intersectoral action in economic development, such as education and housing; and partnership building among government, the private sector and community-based organizations. Monitoring and analysis must be improved to assess the full impact of globalization on health.

It is essential to engage in alliances for achieving health systems that can sustain equitable health benefits. The potential of households and communities needs to be mobilized in ways that will advance social equity, and particularly gender equity. The contributions of the various private providers and health agents need to be made visible and harnessed to the broader objectives of health systems. More attention should be paid to defining a code of conduct for stakeholders in national health development, such as external agencies, institutions engaged in technical cooperation, external financing agencies, and health-market industries .

Building sustainable health systems in Bolivia

Policy development for health care systems in Bolivia has traditionally been related to the general political environment and the public sector at large. In 1993, health systems changed direction and profound reforms were introduced, which were embedded in a broader framework of social reform, strongly supported by legislation. Legislation was introduced that recognized the legal status of local boards, indigenous peoples and rural communities, and which permitted decentralization and local decision-making.

Beginning in 1994 this process has generated a decentralized public health system with shared and participatory management, a result of the acknowledgement of such factors as the need to complement and coordinate the various types of health service, and the importance of a participatory process in which the actual health needs of the population are reflected.

On the basis of these considerations, Bolivia has set out to pursue a planning and organizational reform that will ensure integration of the health system at all levels. It has created a legislative framework that ensures the participation of civil society and the beneficiaries of health systems.

5. The contents and the financing methods of sustainable health systems

The policy of Health for All in the 21st Century is aimed at reaching and maintaining the highest attainable level of health for all populations and people. The challenge is to ensure that all people live in a health-enabling environment, with access to personal health-care services and population-oriented essential public-health services of good quality. This requires health interventions throughout the life-span, as many factors that appear early in life have a cumulative effect on health later in life. Such a life-span approach to the promotion of health, the prevention of disease, and health care can limit disability, enhance the quality of life, and foster human development. Innovative rethinking, however, is required to explore how future health systems should be organized and financed in order to incorporate such an approach.

The contents and financing of sustainable health systems should be based on explicitly stated values and principles, including a strong commitment to equity and to health as a human right - a claim of each individual to his or her own highest potential in physical and mental health; the involvement of the public in decision-making; and action on the determinants of ill-health. On the basis of such principles, health systems should provide public-health, preventive, promotive, curative and rehabilitative services, as well as meet responsibilities for human resource development, research, monitoring, and legislative action. The balance and priority-setting among these interventions and responsibilities must be dynamic and should be guided by assessment of the national and local burden of illness, taking due account of socioeconomic and gender inequities and the opportunities for effective action. Countries must pay increasing attention to external threats to health, such as globalization and environmental factors.

Essential Health Care Packages

As a result of financial constraints several countries have developed "essential health care packages". They often consist of a list of basic health interventions considered to be affordable and cost-effective in the context of the shortage of resources. Though it is yet early to draw firm conclusions, some observations can be made.

The development of packages has made clear the importance of setting priorities and the need to make choices explicit. It has stimulated further research on issues related to costs and outcomes of interventions.

However, packages have often been implemented without consideration of their full consequences. Though they may answer the question of what to implement, they give no guidance on how to implement, may divert attention from management constraints, and are often developed without involving the beneficiaries. They may reduce the development of health policies to simple technocratic exercises, sometimes based on debatable simplifications and assumptions, and create artificial divisions between efficiency, effectiveness and equity. They may also perpetuate the idea that health can be achieved with very small budgets, and that efficiency is all that is needed.

Personal and population-oriented health services of good quality need to be available across all population groups and regions, with special attention to urban and rural poor. In this context, the organizational and financial strategies of health systems should be seen as means to ends, integral to the process of formulating health policy. Strategies need to promote the objectives to

be achieved in the long term. They have to incorporate principles and values, such as equity. Consequently, financing for health has to be based on progressive mechanisms and not regressive.

Health financing: some lessons

Health financing strategies are means of facilitating the achievement of objectives in terms of health outcome, equity, efficiency, cost containment and client satisfaction.

Over the past decades important lessons have been learned from the analysis of world-wide experiences:

* *Objectives of health systems are dynamic and vary across place and with time*

* *Options for financing health care should be considered within specific national and local contexts. Strategies should be flexible, incorporate lessons from the past and be adaptable to new circumstances*

* *The ways in which funds are mobilized and distributed have implications for the overall costs of systems, and for their success in achieving sustainability and equity. Before embarking on new financial strategies their potential impact on the overall objectives of health systems should be assessed.*

* *Governments should take a comprehensive approach to financing and resource allocation, rather than develop separate schemes for different population groups. They need to align their actual resource allocation with their stated priorities, to ensure that resources ultimately produce health benefits.*

* *Globalization has a profound impact on health financing: It exerts pressure on health systems to reduce labour costs and to cut government spending, and increases the need for mechanisms to protect the most vulnerable groups in society*

* *Recent evaluations have indicated that incentives to providers (who are responsible for the supply of health care but also strongly influence the demand for it) influence the performance of systems more significantly (with regard to efficiency and cost-containment) than incentives to consumers (user fees, cost sharing, etc.)*

* *The state has a crucial role in the development of a broader framework for health systems, including the financing of health systems. In general, the more private involvement, the more governments need to exercise stronger responsibility for regulation and coordination to promote equity.*

The necessary pre-conditions for, and consequences of, alternative mechanisms for financing health care and cost-sharing should be continuously assessed. In this context it is vital to ensure the financial and political support of all groups, each according to its means.

Innovative thinking is needed to explore how future health systems could be funded. It has been suggested that a form of international revenue generation be developed, which could be channelled to countries whose governments are unable to protect their social and health sectors. The health systems of many poor countries are seriously underfunded. New funding sources are required to enable these countries to develop health systems that can improve health.

6. Functions and capacities: the role of the government and its ministry of health

Rapid globalization, the power of the market, the call for leaner government, and shrinking public resources for health have put health systems and Health for All policies under strong external and internal pressure. The appropriate policy response should not limit health systems exclusively to providing personal services to meet individual demand. Rather, the starting point for discussing functions and capacities of sustainable health systems for the future and the role of government ought to be the reaffirmation of all the key elements of health action that are basic to the advancement of health.

It has become increasingly obvious that focusing on health-care services alone, with their tendency to emphasize a biomedical, individual-care approach, is not conducive to Health for All and cannot in itself achieve equitable health outcomes. The evolving role of public health, and the multidimensional and intersectoral nature of primary health care, require ministries of health to be more proactive at all levels in working with other sectors within and outside government.

Accountability for the health of whole populations requires a paradigm shift from the "medical model" to assessing priorities for all of society, especially those in greatest need. Health systems have to integrate care for the individual with public health functions. Public health functions emphasize the importance of collective action and are concerned with broader population needs, using the full potential of prevention and health promotion. These include action to assure clean water, safe food, waste-disposal and environmental protection - targeting the determinants of ill-health with intersectoral cooperation, and emphasizing the need for collective action for health.

Governments and their ministries of health need mechanisms to assure the financing and equitable distribution of essential benefits. As health systems undergo reform, its effects need to be addressed, and measures taken to assure the sustainability of the benefits of health care for those on the margins of society.

The importance of non-governmental provision and financing of services has been recognized, along with the corresponding need for a greater government role in regulation and quality assurance. The potential for friction between national health objectives and market mechanisms will remain a challenge in countries with a strong and influential private sector. Moreover, if the ministry of health is relatively weak compared with other ministries, there is a serious constraint both to implementing change and to influencing broader public policy.

The ministry of health needs to adopt strong advocacy and advisory roles, and to develop strengths in such areas as economics and political science. It needs to understand the increasing commercial pressures within the health sector, and be able to design policies and incentives to channel private behaviour to socially productive ends.

The role of the state in the development of health systems will be pivotal and crucial. To deal with new pressures within health systems, the state should pull back from its focus on inputs to the health system and concentrate more upon outcome and upon the services it can provide best, such as prevention and health promotion. Rather than being preoccupied with providing day-to-day services, the state needs to redefine its role so that it can develop capacities to direct and regulate the effects of external and internal forces on the health system. However, in some of the least developed countries, particularly their rural areas, it is unlikely that there will be in the near future any substantial development of, or investment in, the private health sector. The state will therefore need to continue to provide health care directly.

Above all, sustainable health systems require political commitment to a higher place for health in government priorities, and to placing equity explicitly at the centre of health policy. This will require clear policy formulation, based on explicitly stated values and increasingly on knowledge and evidence about interventions; well-defined legal and financial frameworks; effective mechanisms of accountability and transparency; intersectoral action on the determinants of health; and assured public participation.

The new role of health ministries will have far-reaching implications for the development of their human resources; it will require new skills and adaptation to new functions. The general capabilities needed in future health systems include better analytical ability, negotiation skills, adaptability to change, and multidisciplinary teamwork. Technical skills that should be given higher priority include advocacy, and regulatory/legal and information-management abilities.

7. How can WHO foster sustainable health systems ?

WHO has an important role, internationally and nationally, in building sustainable national health systems.

Internationally, WHO should play a leading role in the analysis and publicizing of how globalization and market liberalization are affecting health and health systems, particularly for the most vulnerable groups. It should enable countries to share their experiences, successful and unsuccessful, in tackling globalization and privatization. International cooperation must be enhanced within the United Nations system. Health should be brought to the centre of human development. A global endeavour in support of equity is required - through stronger collaboration with such organizations as the World Bank and the World Trade Organization, for example - on such issues as health, trade and financing of health. Strategic alliances should be built with researchers, nongovernmental organizations and the private sector.

WHO has to lead and pursue international solidarity and advocacy for equity and access to the resources needed to assure the highest attainable levels of health for all populations. It should vigorously promote health as a human right and indicate what this entails in concrete terms.

WHO should clearly articulate its policy, founded on a long-term vision and with explicit values, and focus its actions sharply. Its messages should be consistent and clear, and based upon a common understanding of sustainable systems. Health systems development should become a concern of the entire Organization, affecting all its programmes, and thus strengthening technical support to the building of countries' capacities in such areas as needs assessment, priority setting and planning. This would include support to governments in setting out policy frameworks and financial strategies, and assessing their consequences for equity and sustainability of their health systems.

8. The key messages

- Future health systems must withstand powerful external pressures, which, though unrelated directly to health, have considerable impact on health and on the performance of health systems. Globalization, privatization, and diminishing solidarity and public support for collective action are major external influences already at work. The challenge to those concerned with health is to make globalization socially responsible.

- Action confined to countries will not be enough: the international level must also be engaged. The prevention and control of major diseases, including those associated with international trade, such as the tobacco trade, call for new mechanisms of cooperation.

- Privatization ought to be a means of achieving specific health-policy objectives. Instead, in many countries it has become a priority policy objective, an end in itself. Increasing cost-sharing, private insurance and informal "grey market" payments for services are common instances of the off-loading of health-sector payments to households. They undermine equity.

- Future health systems will have to find ways of involving the general public in the policy process. In the past, health professionals have strongly influenced resource-allocation decisions. In the future, such choices must be based on informed public debate.

- It is time to look afresh at the content of health systems that aim to reduce health inequities and sustain the health status of populations, and then to advocate for the levels of resources needed to achieve this objective.

- Innovative thinking is needed to explore how future health systems can be funded, and to challenge the low levels of public expenditure on health in some countries. A major concern will be to raise revenues for health from international sources to compensate countries for reductions in public revenues due to globalization.

- Health systems research is urgently needed to test the effectiveness and efficiency of resource-rationing mechanisms, such as essential packages of services, in improving the health status of poor and vulnerable groups. The performance of the private health-care sector also warrants serious attention in this regard.. The weakness of health ministries relative to other sectoral ministries is a serious constraint both to implementing change in the health system itself and to influencing broader public policy.

- The multidimensional nature of the determinants of ill-health requires future national health authorities to be much more proactive at all levels in working with other sectors, taking on a strong advisory role, and developing analytical capacity, especially in economics. In short, future ministries of health must be leaders for health.

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Programme of work

Chair: Dr Gillian Biscoe

Monday, 17 November

09.30-10.30 **Official Opening**
Dr Mönkäre, Minister of Social Affairs and Health
Dr F.S. Antezana, Deputy Director-General a.i., WHO
Dr A. Koné-Diabi, Assistant Director-General, WHO

11.00-12.30 **Keynote address**: *Key Challenges for Future Health Systems Policymaking*
Professor R. Saltman

Short responses to be given by selected participants

14.00-15.30 **Theme 1: Globalization**
Panel presentations

1. What are the implications of globalization for the health of the most vulnerable poeple? Dr S. Mogedal
2. In the context of globalization, how can technology advance the goal of health for all? Dr Y.-S. Shin
3. How can LDCs cope with increasing trade in pharmaceuticals and health technologies? What mechanisms for regulation are required? Dr A.R. Noormahomed
4. How can the concept of essential drugs be strengthened in order to take account of market forces? Dr Y. Madrid

Questions and comments in plenary

16.00-17.30 Brief resumé by moderator
Fifteen minutes for group discussion
Discussion and conclusions

Tuesday, 18 November

09.00-10.30 **Theme 2: Content and Financing of Sustainable Health Systems**
Panel presentations

1. Lessons from Financing Experiences and Directions for Change. Dr D. Chernichovsky
2. Equity and Life Cycle Health-Care Approaches to Sustainable Health Systems: Future Directions based on Finland's experience. Dr M. Blanco-Sequieros
3. Monitoring and Resource Allocation in Health Systems based on Malaysia's experience. Dr T. Ariff
4. "Essential Health Care Packages" - Uses, Abuses and Future Direction. Dr E. Tarimo

Questions and comments in plenary

11.00-12.30 Brief resumé by moderator
Fifteen minutes for group discussion
Discussion and conclusions

Tuesday, 18 November (continued)

14.00-15.30	**Theme 3:**	**Functions and Capacities of Future Sustainable Health Systems, including Ministries of Health**
		Round Table comprising selected participants Discussion in plenary
16.00-17.30		Discussion in plenary (continued) Conclusions

Wednesday, 19 November

09.00-10.00	**Report to plenary on conclusions and recommendations on Themes 1, 2, and 3 by rapporteurs**
10.00-11.00	**Round Table discussion** on how to take forward the conclusions and recommendations (a) in countries, and (b) with other partners, including the research issues which require urgent attention
11.30-12.00	**Comments and conclusions in plenary**
12.00-12.30	**Official Closing by Dr A. Koné-Diabi, Assistant Director-General, WHO**

List of background documents

The impact of Globalization on Health Care Systems - An Initial Framework. 1997 (draft).
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Mills, C.

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Janovsky, K. (ed.)

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Statement of the Seventh Consultative Committee on Health Services based on Primary Health Care - Primary Health Care Systems and Services for the 21st Century (Geneva 10-13 February 1997)

WHO. European Health Care Reform. Analysis of Current Strategies. WHO Regional Publications, European Series, No 72. Copenhagen, 1997.

Intersectoral Action for Health: A Cornerstone for Health-for-All in the Twenty-First Century. Report of the International Conference, 20-23 April 1997, Halifax, Nova Scotia, Canada, WHO/PPE/PAC/97.6

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